

PUBLIC DISCLOSURE

November 17, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

WILLIAMSTOWN SAVINGS BANK

**795 MAIN STREET
WILLIAMSTOWN , MA 01267**

**DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110**

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire local community, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of WILLIAMSTOWN SAVINGS BANK prepared by the Division, the institution's supervisory agency, as of November 17, 2003.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory."

Williamstown Savings Bank's CRA rating is based on five lending performance criteria, which are evaluated within the bank's "performance context." The "satisfactory" rating is based on: (1) an average net loan to deposit ratio of 77.6 percent, (2) a majority of residential loans granted within the assessment area, (3) a reasonable lending distribution among borrowers of different income levels for residential loans, (4) a reasonable geographic distribution in 2003 of residential loans within the assessment area and (5) regular implementation of fair lending policies and procedures. There were no discriminatory lending practices noted. Williamstown Savings Bank received no complaints related to its CRA performance for the time period under review.

PERFORMANCE CONTEXT

Description of Institution

Williamstown Savings Bank, chartered as a Massachusetts mutual savings bank in 1892, became a stock savings bank on May 1, 2002, with the formation of Mountain One Financial Partners, MHC, a mutual bank holding company. Williamstown Savings Bank, in affiliation with Hoosac Bank, of North Adams, Massachusetts, formed Mountain One Financial Partners, MHC, which holds 100 percent of both banks' stock. In addition, Hoosac Bank owns two subsidiaries: Coakley, Pierpan, Dolan & Collins Insurance Agency, Inc, and True North Financial Services, Inc, an investment advisory and brokerage service agency. The bank now markets itself as, Williamstown Savings Bank, a Mountain One Financial Partner.

The institution's sole banking office, located in the center of Williamstown, Massachusetts, is located in close proximity to the Williams College campus. This office offers two 24-hour ATMs, with network access including NYCE, CIRRUS, MasterCard and Visa. Williamstown Savings Bank is a SUM network member. These institutions do not levy ATM surcharges on their own or to other members' customers. The bank has a free-standing ATM located at Baxter Hall on the Williams College campus.

Williamstown Savings Bank, as of September 30, 2003, had total assets of \$179 million; total loans represented \$87.3 million, or 48.8 percent of assets. The table below details the bank's loan portfolio.

Loan Portfolio as of September 30, 2003		
Type of Loans	\$'s (000's)	% of Total Loans
Construction & Land Development	2,127	2.4%
Residential Real Estate		
a. 1-4 Family Mortgages	53,060	60.8%
b. Home Equity Lines/Loans	11,653	13.3%
Multifamily	77	0.1%
Commercial Loans		
a. Commercial Real Estate.	13,442	15.4%
b. Commercial Loans	6,181	7.1%
Consumer Loans		
a. Credit Cards		0.0%
b. Loans to Individuals	798	0.9%
Other Loans		
Total	87,338	100.0%

Source: FDIC Call Report of Condition, 9/30/03

Description of Institution (continued)

Residential first mortgage loans secured by 1-4 family dwellings represent the majority (60.8%) of the bank's loan portfolio. Commercial loans (including commercial real estate and commercial loans) comprise the second largest segment (22.5%). Home equity lines of credit comprise the next largest portion (13.3%) of the loan portfolio. Lastly, construction loans (2.4%), consumer loans (0.9%) and multifamily loans (0.1%) make up the remaining portion of bank's loan portfolio.

Williamstown Savings Bank offers a variety of competitive residential and commercial mortgage products, and commercial and consumer loan products. In addition, the bank is a member of the Federal Home Loan Bank (FHLB), and is an approved FHLB mortgage seller/servicer. The institution's ability to meet community credit needs remains adequate based on its financial condition, size and product offerings.

Competition within the bank's assessment area is strong and includes several locally-based financial institutions. In 2002, Williamstown Saving Bank held the top market share for mortgage lending within its assessment area, based on mortgage transaction data compiled by Warren Information Services. Warren Information Services compiles data on all mortgage loan filings (above \$25,000) recorded at the Berkshire County Registry of Deeds. In 2002, the five most active lenders within the bank's assessment area were: (1) Williamstown Savings Bank (50.4% market share); (2) South Adams Savings Bank (9.1% market share); (3) Hoosac Bank (market share of 6.3%); (4) Berkshire Bank (3.6% market share); and (5) Banknorth Mortgage Group (3.2% market share). These top five lenders combined held a 72.6 percent share of all the mortgage loan transactions compiled by the Warren Information Services. It is notable that Williamstown Savings Bank holds just over a majority market share (50.4%) that is well above even the second ranked lender's market share of 9.1 percent.

The Division last conducted a CRA evaluation as of May 10, 1999. This evaluation resulted in a "Satisfactory" rating. The FDIC also evaluated the bank's CRA performance as of May 10, 1999, and assigned an overall "Satisfactory" rating.

Description of Assessment Area

The Community Reinvestment Act (CRA) requires financial institutions to define an assessment area within which the bank will focus its lending efforts. The Division evaluates the institution's CRA performance based on the defined assessment area. Generally, assessment areas are expected to consist of Metropolitan Statistical Areas (MSA) or contiguous political subdivisions such as counties, cities and towns. Williamstown Savings Bank's assessment area is in conformance with the CRA regulation, containing only whole geographies or census tracts.

Williamstown Savings Bank's assessment area is comprised solely of the town of Williamstown, a Non-Metropolitan (non-MSA) municipality. The Massachusetts (statewide) Non-metropolitan Areas' median family income (MFI) was \$50,500 in 2001, and \$52,100 in 2002. The non-MSA area median income (or family median income) increased to \$60,300 in 2003, representing a 15.7 percent increase over 2002 levels.

Based on the 1990 U.S. Census, Williamstown is comprised of one middle-income census tract. Nonetheless, based on the 2000 U.S. Census, Williamstown now includes two census tracts, one middle-income, and one upper-income tract/geography. The census tract income levels are based on the MFI within the given tract. The CRA regulation defines income levels as: low-income (less than 50 percent of the area median income), moderate-income (50 to 79 percent of median family income), middle-income (80 to 119 percent of area median income), and upper-income (120 percent and greater of the area median income).

CRA evaluations are to use the new 2000 U.S. Census data geographic information when analyzing loan activity in 2003. Consequently, the assessment area discussion incorporates both the 1990 and 2000 U.S. Census data.

The table below compares the assessment area's 1990 housing composition to the housing composition based on the 2000 U.S. Census data.

Housing Composition by Census Tracts (Distribution by Percentage)								
Income Category	1990 Census				2000 Census			
	1-4 Family Units	Multi-family Units	Mobile Homes	Median Home Value	1-4 Family Units	Multi-family Units	Mobile Homes	Median Home Value
Middle	79.0	7.2	12.0	\$147,000	79.1	7.0	13.9	\$133,700
Upper	0	0.0	0.0	0.0	86.6	13.4	0.0	\$229,800
Total or Median	79.0	7.2	12.0	\$147,000	82.0	9.5	8.5	\$171,347

The comparison demonstrates the changes in the town's housing composition from 1990 Census to 2000 Census. The 2000 data indicates an increase in 1-4 family units/dwellings from 79.0 percent to 82.0 percent of all units. Multifamily units likewise increased from 7.2 percent to 9.5 percent of units, while mobile homes declined from 12.0 percent to 8.5 percent of all housing units. Williamstown, as home to Williams College, has a sizeable population residing in "group quarters." Williams College students represented 25.0 percent and 28.0 percent of the town's total population in 1990 and 2000, respectively.

Description of Assessment Area (continued)

The tables' 2000 Census data compares the housing composition of the middle and upper income geography/tracts. The greater concentration of multifamily units exists within the upper income tract, which can be explained by Williams College residing within this tract. Notably, the town's mobile homes exists solely within the middle income tract. The composition of 1-4 family dwellings is higher (86.6%) within the upper-income tract and somewhat lower (79.1 %) within the middle income geography.

The population of Williamstown is stable, with 8,220 residents in 1990 and 8,424 residents in 2000. In 1990, the town's residents consisted of 2,700 households, of which 63.7 percent were family households. Similarly, the population in 2000 consisted of 2,753 households, of which 63.3 percent were families. The following analysis includes only family households, due to the fact that all households would include the Williams College student population:

Family Households by Census Tract Category (by percentage)								
Income Category	1990 Census				2000 Census			
	Low Income Families	Moderate Income Families	Middle Income Families	Upper Income Families	Low Income Families	Moderate Income Families	Middle Income Families	Upper Income Families
Middle Tract	14.8	11.5	27.0	46.7	16.4	15.3	21.4	46.9
Upper Tract	0.0	0.0	0.0	0.0	6.9	14.6	15.8	62.7
Total/all	14.8	11.5	27.0	46.7	12.6	15.0	19.2	53.2

The above comparative family household demographics demonstrate the overall changes in family income levels. Low-income families declined somewhat from 14.8 percent in 1990 to 12.6 percent in 2000. Moderate-income families increased, going from 11.5 percent of all families in 1990 to 15.0 percent of all families in 2000. Notably, middle income families declined by nearly 8 percent, from 27.0 percent of all families in 1990 to 19.2 percent of families in the 2000 Census. Conversely, upper income families increased by 6.5 percent, from 46.7 percent of all families in 1990 to 53.2 percent of families in the 2000 Census.

The tables' 2000 Census data compares the family household distribution for the middle and upper-income geography/tracts. In comparison to the upper-income geography, the middle-income tract contains a higher concentration of low-income families (16.4% as compared to 6.9%) and middle-income families (21.4% as compared to 15.8%). Lastly, the middle-income geography contained fewer upper-income families; 46.9 percent of all families as compared to 62.7 percent of families residing within the upper-income tract.

The table below provides median home prices for Williamstown, based on Registry of Deeds transactions for the eight-month (year to date) period indicated:

	August 2001	August 2002	August 2003*
WILLIAMSTOWN	163,500	185,000	185,000

Source: Warren Information Services (Banker & Tradesman)

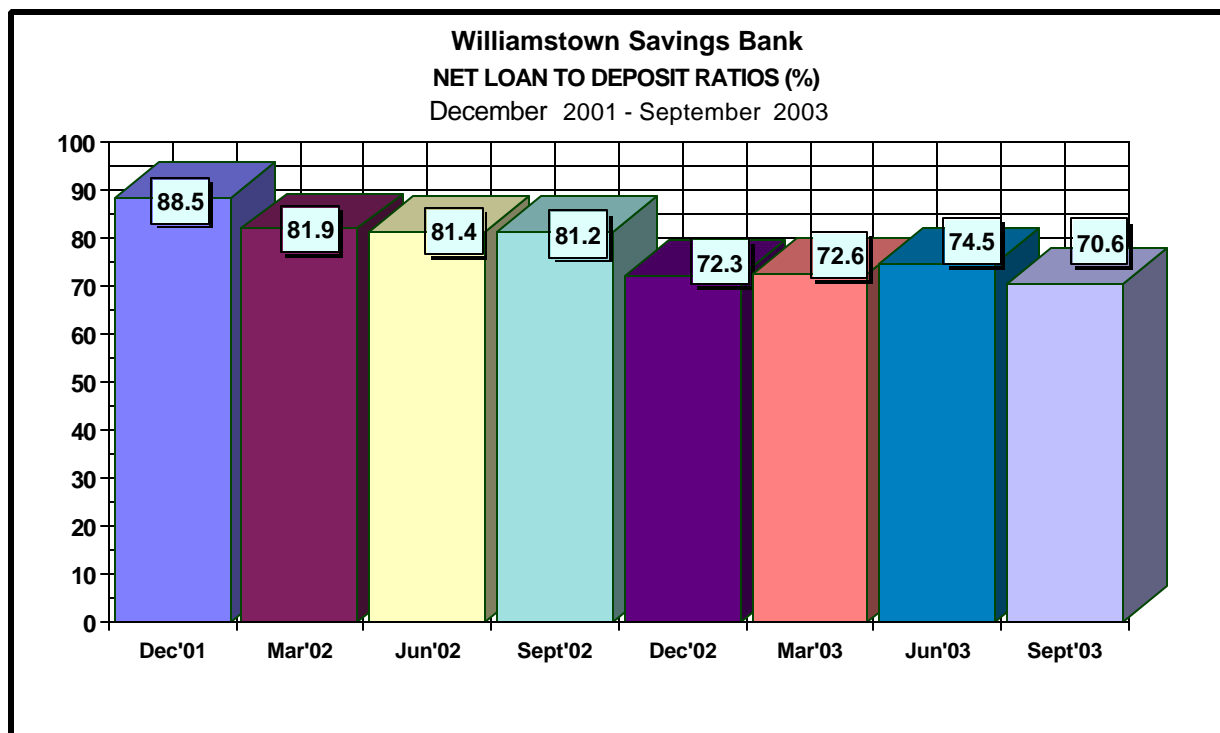
The table shows that Williamstown experienced a rise in the median home price by \$21,500 from 2001 to 2003. A median price represents the mid-point of all home prices with half the dwellings sold below (the median point) and half those sold above the median price. Home prices directly influence affordability for all homebuyers, but especially those with modest incomes.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

This criterion evaluates the level and trend of the bank's net loan-to-deposit ratio. The bank's average net loan-to-deposit ratio is 77.6 percent for the eight quarters from December 31, 2001, through September 30, 2003. Williamstown Savings Bank's performance is considered reasonable, given the institution's lending capacity and the credit needs of the assessment area.

The following graph illustrates the ratio's level and trend for the quarters reviewed:



As demonstrated above, the bank's net loan to deposit (NLTD) ratio declined significantly from 88.5 percent (in December 2001) to 70.6 percent (in September 2003). For the period overall, a deposit growth of 18.0 percent outpaced a negative loan growth of 5.7 percent. However, Williamstown Savings Bank began selling mortgage loans to the Federal Home Loan Bank/secondary market in February 2002. To date, the bank sold a total of 279 mortgage loans for \$36.5 million, which are not included in the above NLTD ratios. The volume of loans sold explains the decline in the bank's NLTD ratios and what appears to be a negative loan growth is actually the effect of these loan sales. Williamstown Savings Bank continues to service all of its sold mortgage loans.

Based on the Division's CRA small institution's performance standards, this criterion's evaluation includes, "as appropriate, other lending related activities, such as loan originations for sale to the secondary market, community development loans or qualified investments." Williamstown Savings Bank's secondary market loan sales enhance the bank's ability to fund future loan requests. Additionally, the institution continues to hold Berkshire Housing Development Corporation bonds totaling \$53,250. These bonds provide funding for deferred payment second mortgages to low and moderate-income homebuyers throughout Berkshire County.

LOAN TO DEPOSIT ANALYSIS (continued)

Lastly, the following table compares Williamstown Savings Bank's net loan-to-deposit ratio to three other financial institutions with offices located in proximity to or within the assessment area:

Institution	Net Loans to Deposits	Total Assets \$'s (millions)
Adams Co-operative Bank	107.1%	\$158.8
Williamstown Savings Bank	70.6%	\$179.0
South Adams Savings Bank	78.9%	\$196.6
Hoosac Bank	69.5%	\$296.2

Source: Call Reports (FDIC) as of 9/30/03.

The above selected comparisons are considered to be "similarly situated institutions" to Williamstown Savings Bank. As noted earlier, Hoosac Bank is an affiliated bank to Williamstown Savings Bank, since Mountain One Financial Partners, MHC holds both institutions' stock. Although second smallest in asset size, Williamstown Savings Bank maintained a good level of net loans to deposits.

In conclusion, the institution's average NLTD ratio of 77.6 percent is reasonable given the bank's capacity to lend and the credit needs of the assessment area. Overall, Williamstown Savings Bank performance for this criterion is considered to meet the standards for a "satisfactory" performance.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

The second performance criterion is based on the bank's record of lending within its assessment area. Williamstown Savings Bank's lending activity within the assessment area represents a good majority and consequently, meets the standards for a satisfactory performance. The lending analysis for this and subsequent criterion includes loan originations for both mortgage loans and home equity lines of credit. The period under review constitutes calendar years 2001 and 2002, as well as a year-to-date (YTD) period through September 30, 2003.

Williamstown Savings Bank granted a total of 1,012 loans totaling \$129 million during the period reviewed. Of this total, home equity lines of credit comprised 343 loans totaling \$28.7 million. Total lending activity inside the assessment area represented 68.8 percent (by number) and 78.1 percent (by dollar) of the total loans granted.

The following table details the bank's lending inside and outside its assessment area by both number and dollars of loans originated:

Distribution Residential Loans Inside and Outside the Assessment Area								
	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
2001	157	71.4%	\$18,263	77.6%	63	28.6%	\$5,265	22.4%
2002	300	75.8%	\$44,688	84.6%	96	24.2%	\$8,113	15.4%
2003*	239	60.4%	\$37,823	71.8%	157	39.6%	\$14,840	28.2%
Total	696	68.8%	\$100,774	78.1%	316	31.2%	\$28,218	21.9%

Source: Bank's internal reports for 2001, 2002 and 2003 *through September 30, 2003.

The percentage variance between the number and dollar amount of loans originated inside and outside the assessment area is notable. The analysis based on dollar volume demonstrates a stronger, more favorable level of lending inside the assessment area, than the analysis by number of loans. This favorable variance (based on the dollar of loans granted inside the assessment area) reflects a higher average loan amount (per loan) than those loans granted outside the assessment area. In 2003, the average loan size inside the assessment area was \$158.3 thousand while the average loan size outside the assessment area was \$94.5 thousand. The higher average loan amounts inside the assessment area reflect the higher home prices within Williamstown versus the surrounding communities.

In conclusion, the institution's lending inside its assessment area demonstrates a good majority of the loans originated and consequently meets the standard for a satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

This third performance criterion evaluates the extent to which the institution lends to borrowers of different income levels within its assessment area. The bank's distribution of residential loans to borrowers of different incomes reflects an adequate penetration among the different income levels of borrowers. Based upon the following analysis, Williamstown Savings Bank's lending meets the standards for satisfactory performance.

Borrower income levels are compared to the area median/median family income (MFI) for the MSA (or Non-MSA) to determine the borrowers income levels. By definition, borrowers qualify as low income (below 50% of the area median/MFI), moderate-income (between 50% and 79% of the median family income), middle-income (between 80 and 119% of the MFI) and upper-income (120% or more of the area median/MFI).

Williamstown Savings Bank's assessment area is comprised solely of the town of Williamstown, a Non-Metropolitan (non-MSA) municipality. The Massachusetts' (statewide) Non-metropolitan Areas' median family income (MFI) was \$50,500 in 2001 and \$52,100 in 2002. The Non-MSA area median income (or family median income) increased to \$60,300 in 2003, representing a 15.7 percent increase over 2002 levels. In 2002, a low-income family earned \$25,529 or less, while a moderate-income family household earned from \$26,050 to no more than \$41,000 annually. Middle income families had incomes ranging from \$41,680 to \$62,000, while upper income family households earned \$62,520 or more, annually.

The following tables detail the bank's 2001 and 2002 borrower income distribution by number and then by dollar of loans originated. In addition, the tables compare these presentations to the distribution of family households within the assessment area:

Distribution of Residential Loans by Borrower Income Levels							
Family Income Levels	% Family Households Per 1990 Census	2001		2002		Total	
		#	%	#	%	#	%
Low	14.8	6	3.8	7	2.3	13	2.8
Moderate	11.5	12	7.7	14	4.7	26	5.7
Middle	27.0	24	15.3	49	16.3	73	16.0
Upper	46.7	113	71.9	230	76.7	343	75.1
NA	0.0	2	1.3	0	0.0	2	0.4
Total	100.0	157	100.0	300	100.0	457	100.0

Distribution of Residential Loans by Borrower Income Levels							
Family Income Levels	% Family Households Per 1990 Census	2001		2002		Total	
		\$(000)	%	\$(000)	%	\$(000)	%
Low	14.8	140	0.80	720	1.6	860	1.4
Moderate	11.5	606	3.30	1,251	2.8	1,857	2.9
Middle	27.0	1,638	9.00	4,543	10.2	6,181	9.8
Upper	46.7	15,514	84.9	38,175	85.4	53,689	85.3
NA	0.0	365	2.0	0	0.0	365	0.6
Total	100.0	18,263	100.0	44,689	100.0	62,952	100.0

DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS (continued)

In 2001 and 2002, Williamstown Savings Bank granted a total of 457 residential loans for \$62.9 million within the assessment area. Loans extended to upper-income borrowers represented the largest category, receiving 75.1 percent of the total number, and 85.3 percent of the total dollars granted. Loans extended to middle-income borrowers were next, receiving 16.0 percent of the total number, and 9.8 percent of the total dollar amount. Lastly, loans originated to low-income and moderate-income borrowers combined represented 8.5 percent (by number), and 4.3 percent (by dollars) of the total loans granted.

The comparison to the family household demographics provides some indication of the reasonableness of the bank's borrower income distribution. However, home affordability also needs to be considered when analyzing the bank's borrower income distribution. The median home price in Williamstown rose from \$163,500 in 2001 to \$185,000 in 2002 and 2003. As home prices rise, buyers within the low-income and moderate-income categories find it increasingly difficult to purchase a home. Often, these potential homebuyers are simply excluded from purchasing a home at all.

In the above borrower distribution, the number of loans to low and moderate-income borrowers remained consistent, while the actual dollars loaned to both these income groups increased in 2002. The distribution to middle-income borrowers increased by both numbers and dollars of loans consequently, establishing a consistent level of lending overall to this income group. A continued solid lending pattern to moderate and middle-income borrowers is critical to the institution's satisfactory rating for this criterion.

The following table compares the bank's 2003 residential lending activity through September 30, 2003 to family demographic data based on the 2000 Census.

Distribution of Residential Loans by Borrower Income					
Median Family Income Level	% Family Households Per 2000 Census Data	2003*			
		#	%	\$	%
Low	12.6	13	5.4	640	1.7
Moderate	15.0	19	7.9	1,590	4.2
Middle	19.2	46	19.3	4,290	11.3
Upper	53.2	160	67.0	31,135	82.3
NA	0.0	1	0.4	168	0.5
Total	100.0	239	100.0	37,823	100.0

Source: U.S. Census, Bank's Internal Reports through 9/30/03.

The 2000 U.S. Census demographics reflects an increase in upper-income family households. This income group now represents the majority (53.2 %) of all family households within the assessment area. Moderate-income family households also increased and now represent 15.0 percent of all family households. Notably, middle-income family households declined significantly and now represent 19.2 percent of all families, having formerly represented 27.0 percent of all family households. Lastly, low-income families also declined and now represent 12.6 percent of all families within the assessment area. This income group formerly represented 14.8 percent of all family households.

DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS (continued)

As shown in the table, the bank's 2003 residential lending activity continues to be predominantly centered among upper-income borrowers. However, the distribution of loans (number and dollar) to this income group actually declined over the prior years' levels, while the demographic distribution of these family households actually increased. Notably, the distribution of loans to middle-income borrowers increased and (based on the number of loans) closely reflects the demographic distribution of these family households. Furthermore, the lending distribution to both low-income and moderate-income borrowers increased based on both number and dollars of loans extended to these income groups.

In conclusion, Williamstown Savings Bank's level of penetration among all income levels of borrowers given assessment area demographics is considered reasonable and meets standards for satisfactory performance.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The fourth performance criterion evaluates the institution's record of addressing the credit needs of the assessment area based on the geographic distribution of loans. Williamstown Savings Bank's performance for this criterion is considered to be reasonable and to meet the standards for a satisfactory performance. The same comparative income levels that applied to borrowers' incomes categorize census tracts' median incomes. Based on the 2000 Census, Williamstown is now comprised of two census tracts, one upper-income tract, and one middle-income tract.

This geographic analysis covers only the 2003 interim period, since this is when the 2000 U.S. Census data became available. An analysis for 2001 and 2002 is not included, since based on the prior 1990 Census data, Williamstown was comprised of only one middle income census tract. Consequently, a geographic analysis would not be meaningfully for these years.

The table compares the bank's 2003 geographic distribution of residential loan originations to the distribution of owner occupied dwellings among the census tracts:

Distribution of Mortgage Loans by Census Tract Income Category					
Census Tract Income Level	% Total Owner- Occupied Housing Units Per 2000 Census Data	2003*			
		#	%	\$	%
Middle	63.6	149	62.3	19,821	52.4
Upper	36.4	90	37.7	18,002	47.6
Total	100.0	239	100.0	37,823	100.0

Source: 2000 U.S. Census, bank's internal origination report through 9/30/03

The bank's geographic distribution of loans (by number) closely parallels the distribution of owner occupied dwellings among the middle and upper income tracts comprising the assessment area. However, the geographic distribution of loans (by dollars) is more evenly divided between the tracts, since the majority (52.4%) of dollars extended are within the middle income tract. Overall, the bank's geographic distribution is favorable in and of itself. Additionally, a geographic loan distribution centered within the middle income tract helps an institution to attract a cross-section of borrowers from all income levels. Middle income geographies generally contain a more even demographic distribution based on household income levels.

GEOGRAPHIC DISTRIBUTION OF LOANS (continued)

In summary, Williamstown Savings Bank's geographic distribution (by number and dollar volume of loans) is considered to be reasonable given the distribution of owner occupied dwellings within the assessment area.

5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES

Williamstown Savings Bank received no CRA related complaints in the period under review. The bank has a good record of implementing fair lending policies and practices. The following discussion is based on the guidelines of the Division's Regulatory Bulletin 2-3-101.

Williamstown Savings Bank offers both fixed rate and adjustable rate mortgage (ARM's) programs. Currently, the bank's fixed-rate mortgage products offer maturities of 15, 20 and 30 years and a maximum loan to value (LTV) of 95 percent. The bank's variable-rate offerings include 1-year, 3/1 and 5/1 adjustable rate mortgages (ARM). The bank requires private mortgage insurance (PMI) for all fixed-rate mortgages with a LTV in excess of 80 percent. However, the bank's ARM programs do not require PMI unless the LTV is above 90 percent. These ARMs serve as the bank's first time homebuyer program. In addition, the bank will pay appraisal fees for all first time homebuyer applicants.

Consumer loan offerings include secured and unsecured personal loans, overdraft lines of credit, automobile loans, home equity lines of credit and mobile home loans. The minimum loan amounts on personal and automobile loans are \$1,000, and on overdraft lines of credit \$200. Maximum terms are 36 months on an unsecured personal loan and 60 months on automobile and secured personal loans.

Home equity lines of credit offer a loan minimum of \$10,000 and a maximum term of 20 years, 10 years interest only and a 10-year repayment term. Williamstown Savings Bank began offering closed end home equity loans in November 2003, which offer a fixed rate of interest, and a maximum term of 15 years. In addition, the bank offers new and used mobile home loans with a maximum term and LTV of 15 years and 70 percent, respectively. Lastly, Williamstown Savings Bank offers a variety of commercial loan products, which include term loans for equipment lending, commercial real estate mortgage loans and revolving lines of credit.

The bank employs 32 full-time and five part-time staff members. Lending staff have attended seminars covering the bank's CRA policy, ECOA (Equal Credit Opportunity Act), Fair Credit Reporting and other fair lending laws.

The institution's loan policy includes a second review procedure for all denied mortgage, home equity and consumer loan applications. Prior to sending a denial notice, a second lending officer reviews all applications recommended for denial. In addition, the bank has an underwriting review process for all approved loans, along with a quality control review of all loan documentation. This process provides feedback to lending staff, who underwrite and process loan applications.

REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES (continued)

Lastly, the bank's community outreach activities support the institution's fair lending policies by helping to increase access to credit and banking services. The institution's outreach activities include: Basic Banking for Massachusetts; HOME (Home Options for Mass Elders); Consumer Credit Counseling Services of Massachusetts; Elder Services; and the government checking cash program, including free checking for EBT (electronic benefits transfer) recipient.

Conclusion/Fair Lending

Williamstown Savings Bank's record of implementing and developing fair lending policies and practices is rated "satisfactory." This rating is based on good training programs for all lending staff, credit products designed to meet the assessment area credit needs, outreach efforts to enhance access to banking and credit within the assessment area, and efforts to review all denied mortgage to ensure fairness in the underwriting process.

Lastly, there were no discriminatory lending practices noted, as relates to the institution's compliance with the provision of the Equal Credit Opportunity Act (ECOA) and its Regulation B.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

WILLIAMSTOWN SAVINGS BANK

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **NOVEMBER 17, 2003**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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_____	_____

A majority of the Board of Directors

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each local community;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that community.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.